

Assigned DOGM File No.: S/001/0074

DOGM Lead: Tom M

Permit Fee \$ 150 Ck # 1167203

Task ID# 2734

0001

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
1594 West North Temple Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
Telephone: (801) 538-5291 Fax: (801) 359-3940

NOTICE OF INTENTION TO COMMENCE SMALL MINING OPERATIONS

The informational requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 1987, and the General Rules as promulgated under the Utah Minerals Regulatory Program.

"Small Mining Operations" mining operations which have a disturbed area of five or less surface acres at any time.

I. **GENERAL INFORMATION** (Rule R647-3-104)

1. Name of Mine: Maria Pit Overburden Dump Pile

2. Legal name of entity (or individual) for whom the permit is being requested: Gene Henrie, dba Quality Crushing

Mailing Address: 956 South Canyon Drive

City, State, Zip: Cedar City, Utah 84720

Phone: 435-865-5870 Fax: n/a

E-mail Address: n/a

Type of Business: Corporation () LLC () Sole Proprietorship (dba) (x)

Partnership () General _____ or _____ limited

Or:

Individual (x)

Entity must be registered (and maintain registration) with the State of Utah, Division of Corporations (DOC) www.commerce.utah.gov.

Are you currently registered to do business in the State of Utah? ☒ Yes ☐ No

Entity # 6900318-0151

If no, contact www.commerce.utah.gov to renew or apply.

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Local Business License # n/a (if required)

Issued by: County _____ or City _____ JAN 14 2009

3. **Contact Person(s)**

Name: Gene Henrie Title: Owner/Operator

Address: 956 South Canyon Drive

City, State, Zip: Cedar City, Utah 84720

Phone: 435-865-5870 Fax: _____

Emergency, Weekend, or Holiday Phone: 435-865-5870

E-mail Address: none

DIV. OIL GAS & MINING

Contact person to be notified for: permitting (x) surety (x) Notices (x) (please check all that apply)

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OCT 28 2008

0001

Name: Gene Henrie Title: Owner/Operator
Address: 956 South Canyon Drive
City, State, Zip: Cedar City, Utah 84720
Phone: 435-865-5870 Fax: _____
Emergency, Weekend, or Holiday Phone: 435-865-5870
E-mail Address: none

Contact person to be notified for: permitting () surety () Notices () (please check all that apply)

Registered Utah Agent (as identified with the Utah Department of Commerce) (if individual leave blank):

Name: Gene Henrie
Address: 956 South Canyon Drive
City, State, Zip: Cedar City, Utah 84720
Phone: 435-865-5870 Fax: _____
E-mail Address: _____

4. **If Business is a Sole Proprietor:**

Name of Owner: Gene Henrie Title: Owner
Business Address: 956 South Canyon Drive
City, State, Zip: Cedar City, Utah 84720
Phone: 435-865-5870 Fax: _____
E-mail Address: _____

If Business is a Corporation:

Name of Officers: _____ Title: _____
_____ Title: _____
_____ Title: _____
_____ Title: _____

Headquarters Address: _____
City, State, Zip: _____
Headquarters Phone: _____ Fax: _____
E-mail Address: _____

If Business is a Limited Liability Company: Member Managed ■ Manager Managed ■

Name of 1st Member/Manager: _____ Title: _____
Business Address: _____
City, State, Zip: _____
Phone: _____ Fax: _____
E-mail Address: _____

Name of 2nd Member/Manager: _____
Business Address: _____
City, State, Zip: _____
Phone: _____ Fax: _____
E-mail Address: _____

If Business is a Partnership:

Name of Partner: _____
Business Address: _____
City, State, Zip: _____
Phone: _____ Fax: _____
E-mail Address: _____

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5. **Ownership of Land Surface:**

Private (Fee) ☒ Public Domain (BLM) ☐ National Forest (USFS) ☐
State Trust Land/School Sections ☐ State Sovereign Lands ☐
Other (please describe): _____

Name Western Utah Copper Co. Address Box 492, Milford, Utah 84751

Name _____ Address _____

Name _____ Address _____

Name _____ Address _____

6. **Ownership of Minerals:**

Private (Fee) ☒ Public Domain (BLM) ☐ National Forest (USFS) ☐
State Trust Land/School Sections ☐ State Sovereign Lands ☐
Other (please describe): _____

Name Western Utah Copper Co. Address Box 492, Milford, Utah 84751

Name _____ Address _____

Name _____ Address _____

Name _____ Address _____

BLM Lease or Project File Number(s) and/or USFS assigned Project Number(s): _____

BLM Claim Numbers _____

Utah State Lease Number(s): _____

Name of Lessee(s) _____

7. **Have the above surface and mineral owners been notified in writing?**

Yes xx No _____

If no, why not? _____

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*Please be advised that if State Trust Lands are involved, notification to the Division of Oil, Gas and Mining alone does not satisfy the notification requirements of Mineral Leases upon State Trust Lands. Exploration or mining activity on State Trust Lands requires a minimum of 60 days notice to the Trust Lands Administration **prior** to commencing any activities. Please contact the School Institutional Trust Lands Administration (SITLA) at (801) 538-5508 for notification requirements.*

8. **Does the Entity have legal right to enter and conduct mining operations on the land covered by this notice?** Yes x No _____

II. **PROJECT LOCATION & MAP** (Rule R647-3-105)

1. **Project Location** (legal description):

County(ies): Beaver

SE 1/4, of NW 1/4, of _____ 1/4: Section: 22 Township: 27 S. Range: 11 W.
NE 1/4, of SW 1/4, of _____ 1/4: Section: 22 Township: 27S. Range: 11 W.
_____ 1/4, of _____ 1/4, of _____ 1/4: Section: _____ Township: _____ Range: _____

UTM East 318613 (if known) UTM North 4257473 (If known)

Name of Quad Map for Location: Milford

2. **Location and Operations maps** must be plotted at a scale to accurately identify locational landmarks and operations details. All maps must include a north arrow, scale, appropriate labels, and title box including the mine name, township, range and section.

a. The **general location map** must be the scale of a USGS 7.5 minute series map or equivalent (1"=2000') and identify new or existing access roads.

b. The **operations map** (1"=200' or other scale as determined necessary by the Division) must be labeled and identify:

i. The area to be disturbed;

ii. The location of any existing or proposed operations including access roads, drill holes, trenches, pits, shafts, cuts, or other planned activities; and

iii. Any adjacent previous disturbance for which the operator is not responsible.

(Contact the Division for a list of consultants and land surveyors for mapping assistance.)

3. The proposed (5 acre or less) disturbed area (including access/haul roads) should be marked in the field ON THE GROUND with metal T-Posts (or with some other marker of equal effectiveness). Markers should be appropriately spaced so that the next marker in either direction is clearly visible with the naked eye.

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III. **OPERATION PLAN** (Rule R647-3-106)

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1. **Type of mining:** Surface ☒ Underground ☐

2. **Mineral(s) to be mined:** Overburden and aluvium from existing mine dump.

3. **Amount of material to be extracted, moved, or proposed to be moved:** _____
100,000 ton of road base material.

4. **Will any water, liquid chemicals, reagents, or other solutions be used, produced or discharged as part of the mining or milling process?**

Yes ☐ No ☒ If yes, please describe (add extra pages if needed) _____

5. **Provide a brief description of the proposed mining operation and onsite processing facilities (add extra pages if necessary).** Processing overburden and aluvium through a portable crushing facility to make road base for mine roads and mining facilities.

6. ■ **New Road(s):** Length _____ (ft) Width _____ (ft)

7. ★ **Improved Road(s):** Provide a description of the improvements that need to be made to existing roads to access the site, including the Length 1,400 (ft) and Width 20 (ft) of improvements.

8. Total project surface **acreage to be disturbed:** 2.5 (acres) PLEASE SPECIFY
EXACT ACREAGE - (this will be used to determine surety bond amount - see #VI).

9. Proposed **startup date** (month, year) 10-29-08

10. Proposed **completion date**, if known (month, year) 4-29-09

IV. OPERATION AND RECLAMATION PRACTICES (Rule R647-3-107, 108 & 109)

The reclamation and operation obligation is to keep the area clean and safe, minimize hazards to public safety, return the land to a useful condition, and reestablish at least 70 percent of the premining vegetative ground cover. To accomplish this, the Permittee / Operator will need to perform reclamation concurrently, or at the completion (within one (1) year) of mining. Please refer to The Practical Guide to Reclamation in Utah, available at www.ogm.utah.gov.

1. *Keep the mining operation in a safe, clean, and environmentally stable condition.*
2. *Permanently seal all shafts and tunnels to prevent unauthorized or accidental entry.*
3. *Plug drill holes with a five foot cement surface plug. Holes that encounter fluids are to be plugged in the subsurface to prevent aquifer contamination.*
4. *Construct berms, fences, or barriers, when needed, above highwalls and excavations.*
5. *Remove, isolate, or neutralize all toxic materials in a manner compatible with federal and state regulations.*
6. *Remove all waste or debris from stream channels.*
7. *Dispose of any trash, scrap metal, wood, machinery, and buildings.*
8. *Conduct mining activities so as to minimize erosion and control sediment.*
9. *Reclaim all roads that are not part of a permanent transportation system.*
10. *Stockpile topsoil and suitable overburden prior to mining.*
11. *Stabilize highwalls by backfilling or rounding to 45 degrees or less, where feasible; reshape the land to near its original contour, and redistribute the topsoil and suitable overburden.*
12. *Properly prepare seedbed to a depth of six inches by pocking, ripping, discing, or harrowing. Leave the surface rough.*
13. *Reseed disturbed areas with adaptable species. (The Division recommends a mixture of species of grass, forb, and browse seed, and will provide a specific species list if requested.)*
14. *Plant the seed with a rangeland or farm drill, or broadcast the seed. Fall is the preferred time to seed.*

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V. VARIANCE REQUEST (Rule R647-3-110)

Any variance request must be approved in writing by the Division

Any planned deviations from Rules R647-3-107, Operation Practices, R647-3-108, Hole Plugging Requirements, or R647-3-109, Reclamation Practices, as summarized above (see IV. Operation and Reclamation Practices Item # 1-14), should be identified below listing applicable rule number. Give justification for the variance(s) and alternate methods or measure to be utilized. Written approval from the Division will be given, if the proposed alternative methods to be used are consistent with the Act.

Are variances being requested? Yes ☐ No ☐

1st Variance Requested

Item # _____ Applicable Rule # (i.e. R647-3-109.10 (if you did not want trenches & pits reclaimed)) _____

Justification: _____

Alternate methods or measure to be utilized: _____

2nd Variance Requested

Item # _____ Applicable Rule # _____

Justification: _____

Alternate methods or measure to be utilized: _____

3rd Variance Requested

Item # _____ Applicable Rule # _____

Justification: _____

Alternate methods or measure to be utilized: _____

Attach additional page if more variances are requested.

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VI. SURETY (Utah Code Ann. §40-8-7(1)[c])

A reclamation contract and surety must be provided to and approved by the Division prior to commencement of operations. All mining operations are required to furnish and maintain reclamation surety to guarantee that the land affected is reclaimed (Utah Code Ann. §40-8-7(1)[c]).

The reclamation surety amount is based on the nature, extent and duration of operations. The amounts are based on data from current large mine surety and are used as a general guide, along with actual site conditions. Reclamation surety for small mines is reviewed every three (3) or five (5) years and adjusted as necessary for inflation/deflation based upon acceptable Costs Index. **Contact the Division for the dollar amount required for a three (3) or five (5) year period for this project.**

I have provided or will provide surety in the form of:

- ☐ Certificate of Deposit ☐ Letter of Credit ☐ Surety Bond ☒ Cash (certified funds)
☐ Other _____ (please identify) _____ undecided

VII. **PERMIT FEE** (Utah Code Ann. §40-8-7(1)(i))

A permittee's authorization under a notice of intention to conduct small mining operations shall require the paying of permit fees as authorized by the Utah Legislature (R647-3-102.5). Permit fees are assessed to new and existing small mining operations, and annually thereafter, until the project disturbances are successfully reclaimed by the Permittee / Operator and released by the Division.

Small Mine Notices require a \$150.00 fee, which must accompany this application, or the Division cannot process it.

VIII. **SIGNATURE REQUIREMENT**


(Please check the box if applicable and place your initials on the line provided)

- X ☒ I have enclosed the required permit fee.
- X ☒ I have enclosed/requested a Reclamation Contract (Form MR-RC) and the appropriate reclamation surety amount or have made arrangements as to when the surety will be furnished.
- X ☒ I understand that I am not authorized to create any surface disturbance until the surety amount is posted and approved in writing from the Division of Oil, Gas and Mining and any other authorized regulatory agency.

CERTIFICATION

I state under penalty of perjury under the laws of the state of Utah and the United States of America that:

- a. I have read this form and declare the information, statements and/or documentation are true, correct and complete to the best of my knowledge and belief; AND
- b. I commit to the reclamation of the aforementioned small mining project as required by the Utah Mined Land Reclamation Act (40-8) and the rules as specified by the Board of Oil, Gas and Mining.
- c. **This certification must be signed by:** (1.) an executive officer if the applicant is a corporation; (2.) a partner if applicant is a partnership (general or limited); (3.) the owner if applicant is a sole proprietorship; or (4.) the member or manager if applicant is a limited liability company.

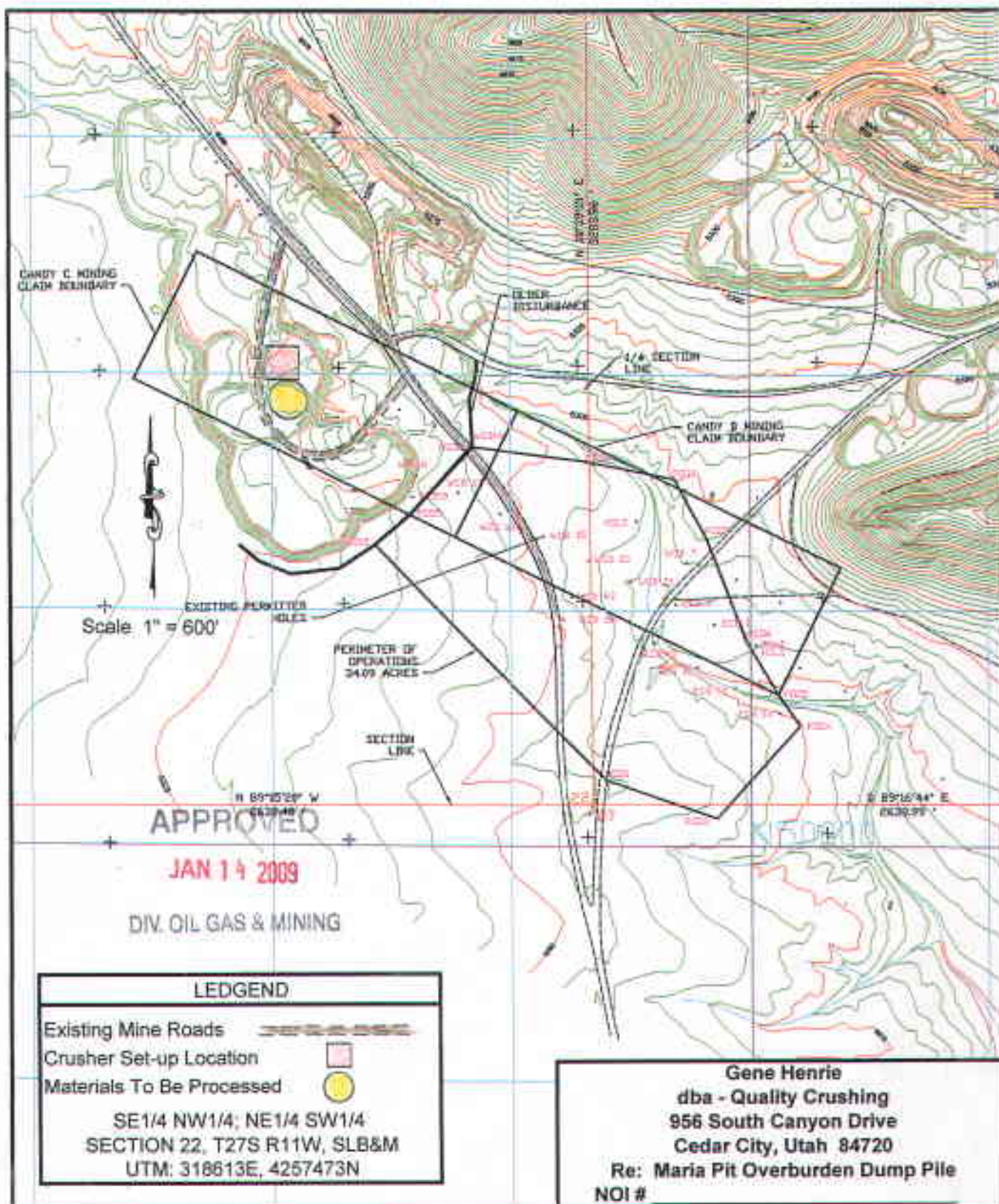
Signature:  Date: 10-27-08
Name (typed or printed): Gene Henrie
Title/Position (if applicable): Owner

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JAN 14 2009

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State of Utah

JON M. HUNTSMAN, JR.
Governor

GARY HERBERT
Lieutenant Governor

Department of Environmental Quality

Richard W. Sprott
Executive Director

DIVISION OF AIR QUALITY
Cheryl Heying
Director

October 20, 2008

DAQC-1269-08
Site ID 13098 (B1)

Gene Henrie
Quality Crushing
956 South Canyon Drive
Cedar City, Utah 84720

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JAN 14 2009

Dear Mr. Henrie:

DIV. OIL GAS & MINING

Re: Quality Crushing - Temporary Relocation/Operation, Notice of Intent - Kolberg Pioneer 500 TPH Jaw Crusher, JCI 7 x 20 Screen, Nordberg HP300 Cone Crusher, Cedarapids 5 x 20 Screen, Caterpillar 325 KW Generator - Beaver County

Your Notice of Intent dated October 15, 2008, to relocate your Kolberg Pioneer 500 TPH jaw crusher, JCI 7 x 20 screen, Nordberg HP300 cone crusher, Cedarapids 5 x 20 screen and Caterpillar 325 KW generator to the temporary project located at approximately 5 miles west of Milford at the Western Utah Copper site, Beaver County, Utah, was received by the Utah Division of Air Quality (Division) and has been reviewed.

Approval is granted to relocate and operate this equipment at the new location for a period not to exceed 180 operational days. As per Utah Administrative Code R307-401-7, the operation of equipment at this temporary site may be for up to 180 working days in any calendar year not to exceed 365 consecutive days, starting from the initial relocation date. The operational days per site cannot be extended beyond the stipulated 365 consecutive day period. Approval is subject to the conditions of the dust control plan submitted for this location and the current Approval Order (AO) DAQE-AN0130980003-08 dated July 29, 2008. Hours of operation shall be held to 16 hours per each 24-hour day. The maximum production rate shall be held to 350 tons per hour. Emissions for this project have been estimated at the following:

<u>Pollutant</u>	<u>gram/sec</u>	<u>lbs/hr</u>	<u>lbs/24 hr</u>	<u>tons/yr</u>
PM ₁₀	1.91	15.13	151.25	1.80
SO ₂	0.55	4.40	44.05	3.44
NO _x	3.72	29.55	295.46	23.05
CO	0.99	7.88	78.83	6.15
VOC	0.16	1.24	12.44	0.97

The owner/operator shall maintain records of the actual operation hours of the above referenced equipment at this relocation site and have the ability to submit the information to the Division

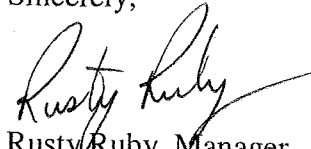
upon the request of representatives of the Executive Secretary. Please make certain that the plant operator is aware of all the location specific requirements for this site and the conditions of the aforementioned AO.

Utah Division of Water Quality Storm Water Permits and regulations may apply to this temporary project. Please refer to <http://www.waterquality.utah.gov/UPDES/stormwater> for additional information.

This approval for relocation in no way releases the owner or operator from any liability for compliance with all other applicable federal, state, and local regulations including the Utah Air Conservation Rules.

If you have any questions regarding this relocation authorization or the temporary relocation process contact Susan Weisenberg at (801) 536-4045.

Sincerely,



Rusty Ruby, Manager
Air Standards Branch

RR:SPW:lgt

Enclosure: Submitted Temporary Relocation Form

cc: Rod Cosslett, Southwestern Utah Public Health Department

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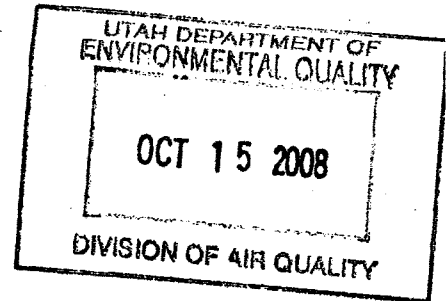
*Air
Quality
Services*

968 South 970 West, Woods Cross, Utah 84087

Providing Air Emissions Permitting Support

Phone & Fax: (801) 294-0454 E-mail: jwnewby@comcast.net

1
475
\$ 500.00
MR



October 15, 2008

Ms. Susan Weisenberg
Utah Division of Air Quality
Post Office Box 144820
Salt Lake City, Utah 84114-4820

Re: Notice of Temporary Relocation of Portable Equipment for Quality Crushing

Dear Ms. Weisenberg:

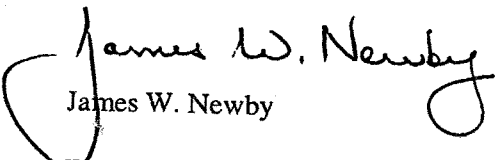
On behalf of Quality Crushing, Air Quality Services submits the enclosed Notice of Temporary Relocation of Portable Equipment.

A check for the \$500.00 application fee is attached.

Thank you for your assistance. If you have questions or need additional information, please contact me at (801) 294-0454.

Sincerely,

AIR QUALITY SERVICES


James W. Newby

Enclosure

1. Check
2. Notice of Temporary Relocation of Portable Equipment

c: Gene Henrie, Quality Crushing

DAQE-AN0130980003-08

13. All equipment to be operated at the proposed site:

Equipment Type: <u>Jaw Crusher</u> Make/Model <u>Kolberg Pioneer/BS 314A</u> Serial or ID # <u>407481</u> Manufactured Date <u>2007</u> Design Capacity <u>500 tph</u>	Equipment Type: <u>Conveyors + Screens</u> Make/Model _____ Serial or ID # _____ Manufactured Date _____ Design Capacity _____
Equipment Type: <u>Screen</u> Make/Model <u>TCI / 7'x20'</u> Serial or ID # <u>S061769</u> Manufactured Date <u>2006</u> Design Capacity <u>300 tph</u>	Equipment Type: <u>Loaders</u> Make/Model _____ Serial or ID # _____ Manufactured Date _____ Design Capacity _____
Equipment Type: <u>Cone Crusher</u> Make/Model <u>Nordberg / HP300</u> Serial or ID # <u>HP 300R01</u> Manufactured Date _____ Design Capacity <u>600 tph</u>	Equipment Type: _____ Make/Model _____ Serial or ID # _____ Manufactured Date _____ Design Capacity _____
Equipment Type: <u>Screen</u> Make/Model <u>Cedarapids / 6'x20'</u> Serial or ID # _____ Manufactured Date _____ Design Capacity <u>500 tph</u>	Equipment Type: _____ Make/Model _____ Serial or ID # _____ Manufactured Date _____ Design Capacity _____
Equipment Type: <u>Generator</u> Make/Model <u>Caterpillar / SR4B</u> Serial or ID # <u>8ER02395</u> Manufactured Date _____ Design Capacity <u>325 kW</u>	Equipment Type: <u>Generator</u> Make/Model <u>Caterpillar</u> Serial or ID # <u>8ER02901</u> Manufactured Date _____ Design Capacity <u>325 kW</u>

Equipment list will be used by Compliance Inspectors on site visits.

The kind of equipment to list: crushers, screens, generators, asphalt batch plants, and concrete batch plants, incinerators, etc. (Include any grandfathered* equipment).

Various associated support equipment such as conveyors, loaders, dozers, water pumps, water trucks, haul trucks, and service trucks do not need to be listed individually.

*Grandfathered equipment is that equipment which existed or operated in Utah prior to November 29, 1969, and did not require an Approval Order. Modifications made to the equipment, replacement of equipment, or relocation of equipment after November 29, 1969, invalidates the grandfathered status of the equipment, and such equipment will need to be approved (listed in a valid Approval Order) prior to relocation.

Review Section, DAQ, to discuss further options (attach additional sheets for other EECMs if necessary).

Haul Roads (circle options 1 or 2 and/or 3)

(The minimum control required in the Approval Order as BACT is 80%, which requires application of water sprays to ensure damp/moist condition and 15 mph posted speed limit)

1. 65% efficiency by application of water sprays to ensure damp/moist condition and 10 mph posted speed limit
2. 80% by application of water sprays on coarse aggregate spread on the haul road to ensure damp/moist condition, and 10 mph posted speed limit
3. Reducing the length unpaved haul road from a maximum of 0.25 miles (each way); Proposed unpaved haul road length (less than 0.25 miles): _____ miles

Open Areas (check if this option is proposed)

____ 50 % reduction in particulate emissions from open areas for coat of aggregate

Pre-wetting of aggregate at least 12 hours prior to hauling to the plant (check if this option is proposed)

____ 20% reduction in total particulate emissions from the plant

Other Innovative Emission Reduction Strategies

1. Berming of at least 180 degrees of the area surrounding the pit for a height at least equal to the height of the highest transfer point shall be considered as 15% reduction in total particulate emissions from the plant
2. Trees surrounding the pit: Particulate emissions credit given on a case-by-case basis
3. Other options (describe control strategy and anticipated reduction in emissions)

17. Owner/Operator Representative

Signature _____

10-14-08
Date

CONDITIONAL USE PERMIT

No. 2005-06

APPLICANT: Western Utah Copper

APPLICATION APPROVED BY: Beaver County Planning/Zoning Commission

APPLICATION ISSUED BY: Beaver County Building Inspector

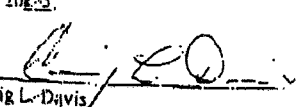
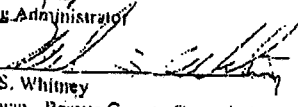
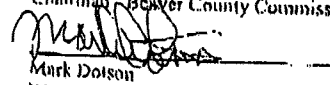
LEGAL DESCRIPTION OF PROPERTY: See conditional use permit application.

PURPOSE OF CONDITIONAL USE: To develop and operate a copper mine and haul road in Beaver County

CONDITIONS:

- 1) The entire Application including all maps, drawings statements and other documents received by the Planning Commission and Building Inspector are hereby incorporated into this permit.
- 2) This Conditional Use Permit is subject to compliance with all applicable Codes.
- 3) They will need to submit copies of all the permits they need from other agencies, i.e. Div. of Air Quality, Div. of Oil, Gas & Mining, Div. of Water Quality, etc. and have them changed into their name.
- 4) They need to let emergency services know where they are working.
- 5) They will need to get with the County Commission and sign a road maintenance agreement, and review it annually.
- 6) There will be a yearly review to see if they are complying with the conditions of this permit.

NOTICE: Unless there is substantial action under this Conditional Use Permit within a maximum period of six months of its issuance, this Conditional Use Permit shall expire. The Planning Commission may grant a maximum extension of six months, when deemed in the public interest. VIOLATION OF ANY OF THE ABOVE CONDITIONS COULD RESULT IN TERMINATION OF THIS PERMIT.

DATED this 5th day of July, 2005
Craig L. Davis
Zoning Administrator
Mark S. Whitney
Chairman, Beaver County Commission
Mark Dolson
Western Utah Copper